



File

Semi Annual Report to the Shareholders

OCTOBER 31st, 1967



The various policy changes implemented in the last six months have had the desired effect as reflected in the profit picture over the period which, incidentally, is the best in our history.

The programme to turn fixed assets, loans receivable and mortgages into cash was accelerated by the sale of our apartment site. This sale represents a one time gain; however, it does release approximately \$200,000 for investment which will be an additional earnings factor in 1968.

A separate division of our company has been established to manage the Fund. This division is headed by our Vice-President, G. T. Hogarth. The decision was taken to go to an 8½% load and arrangements are now being worked out with various sales companies and brokers to sell shares of the fund. I am very hopeful that in a few months results will start to show.

Business was unusually slow in the Caribbean area during the first half and our operations there sustained a loss. This situation was general throughout the Island during the period. However the hotel is heavily booked until the end of our financial year and over the entire year will probably be at least as profitable as last year. Devaluation proved to be a windfall for us since our debt in the West Indies in connection with the acquisition of Royal Caribbean Hotel was in sterling. Our dollar debt therefore dropped some \$70,000 overnight.

A handwritten signature in dark ink, appearing to read 'R. Cummings'.

R. Cummings, President.

ENTAREA INVESTMENT MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
 Six Months ended October 31, 1967

SOURCE OF FUNDS

Funds derived from operations	\$ 74,662	
Sale of properties and office equipment	68,500	
Issue of shares	150,180	
Issue of 7% Promissory Note	230,000	
Working capital acquired on acquisition of subsidiary ...	185,328	\$708,670

APPLICATION OF FUNDS

Purchase of shares of consolidated subsidiary	\$470,000	
Purchase of shares of non-consolidated subsidiary	300,000	
Purchase of Series A Secured Collateral Trust Notes	50,000	
Payment of dividend	27,340	847,340
Decrease in working capital		<u>\$138,670</u>

ENTAREA INVESTMENT MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF INCOME
 Six Months ended October 31, 1967

INCOME

Gross operating revenue	\$271,988
Profits on sales of properties and securities	39,847
	<u>\$311,835</u>
Cost of goods sold, administrative and general expenses, depreciation and interest	249,766
Net Income before income taxes	62,069
Income taxes	19,742
Net income for the period	<u>\$ 42,327</u>

NOTES: 1. As operations of one subsidiary are seasonal the results of its operations have not been included in this statement.

2. Comparative figures are not available for the six months ended October 31, 1966 due to change of year-end from December 31 to April 30 and thus have not been shown on this statement.